

Message Text

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65

ORIGIN ARA-10

INFO OCT-01 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 (ISO) R

DRAFTED BY ARA/ECP:MDAVILA, EB/ICD/TRP:PPPILKAUSKAS:BLO

APPROVED BY ARA/ECP:SROGERS

ARA/CAR:JTHYDEN

USDA/FAS:LHURT

EB/GCP:MGOLDMAN

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P R 272021Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY GEORGETOWN PRIORITY

INFO AMEMBASSY PORT OF SPAIN

AMEMBASSY KINGSTON

AMEMBASSY BRIDGETOWN

UNCLAS STATE 020189

E.O. 11652: N/A

TAGS: ETRD, GY, EAGR

SUBJECT: SUGAR EXPORTS TO U.S. - PRICE EFFECT OF GSP

REFS: (A) GEORGETOWN 137, (B) STATE 277543, 11/24/75

1. NORMAL PROCEDURE FOLLOWED IN EXPORTING SUGAR TO U.S.
IS FOR IMPORTER TO NEGOTIATE DELIVERY CONTRACT WITH FOREIGN
EXPORTER. SINCE SUGAR BOUGHT FROM FOREIGN SUPPLIERS IS
EITHER ON A CIF DUTY PAID BASIS OR AN FOB STOWED BASIS
THERE IS NO HARD AND FAST RULE AS TO WHO IS RESPONSIBLE FOR
PAYMENT OF DUTY. CIF BASIS APPARENTLY IS THE MORE COMMON
FORM, WHICH MEANS IMPORTER IS RESPONSIBLE FOR THE DUTY.

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2. U.S. DUTY ON SUGAR IS 0.6625 CENTS PER POUND (LESS 0.009375 CENTS/LB FOR EACH DEGREE OF POLARITY UNDER 100 DEGREES) AND THUS GSP MEANS THAT DUTIES OF APPROXIMATELY USDOLS 14 PER METRIC TON WILL NOT BE PAID ON SUGAR IMPORTS ENTERING UNDER GSP. IT IS POSSIBLE THAT IMPORTER WOULD BE ABLE TO NEGOTIATE LOWER CONTRACT PRICE WITH GSP EXPORTER THAN WITH NON-GSP EXPORTER. INDUSTRY SOURCES SUGGEST EXPORTERS CURRENTLY GETTING MOST OF GSP BENEFIT. AS TIME PASSES IT SEEMS LIKELY BENEFITS WOULD BE SHARED BETWEEN BUYERS AND SELLERS AS PRICE NEGOTIATIONS TAKE GSP TARIFF BENEFIT INTO ACCOUNT. KISSINGER

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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04 MAY 2006

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